

"2 Tech Dividend Stocks With High Options Yields"

by Robert Hauver

Who are the winners so far in 2017? We looked at sectors from a variety of angles - trailing valuations, future earnings valuations, dividend yield, and performance, to see which sectors have outperformed, and which ones hold the most promise for the future.

Not surprisingly, Tech was a clear winner in Performance- it leads all other sectors so far in 2017:

| SECTOR | Performance (Year To Date) | Performance (Month) | Performance (Quarter) | Performance (Year) |
|------------------|----------------------------|---------------------|-----------------------|--------------------|
| Technology | 22.97% | 3.39% | 5.12% | 23.58% |
| Healthcare | 18.84% | -0.12% | 2.53% | 16.64% |
| Consumer Goods | 17.09% | 1.08% | 3.31% | 13.59% |
| Industrial Goods | 16.40% | 3.98% | 5.12% | 26.49% |
| Financial | 14.35% | 3.96% | 5.30% | 28.58% |
| Utilities | 11.10% | -1.02% | 3.48% | 12.31% |
| Services | 6.53% | 2.89% | 3.32% | 15.25% |
| Basic Materials | 0.93% | 3.14% | 6.86% | 6.86% |

Growth is another winning category for the Tech sector:

| SECTOR | EPS growth next 5 years | EPS growth past 5 years | Sales growth past 5 years |
|------------------|-------------------------|-------------------------|---------------------------|
| Technology | 15.24% | 13.63% | 13.88% |
| Basic Materials | 13.97% | -9.00% | 2.20% |
| Industrial Goods | 13.02% | 7.75% | 2.46% |
| Services | 12.31% | 5.33% | 7.16% |
| Consumer Goods | 11.57% | 7.70% | 6.39% |
| Healthcare | 10.75% | 4.71% | 8.87% |
| Financial | 10.44% | 18.70% | 6.38% |
| Utilities | 5.89% | 0.42% | 2.29% |

However, the market is giving Tech a premium valuation, vs. several other sectors. Tech's forward P/E is 19.20, vs. Financials at 15.68:

| SECTOR | Forward P/E | P/E | P/Sales | P/Book |
|------------------|-------------|-------|---------|--------|
| Financial | 15.68 | 18.36 | 5.58 | 3.13 |
| Utilities | 16.23 | 15.27 | 1.82 | 1.73 |
| Healthcare | 17.37 | 28.34 | 2.41 | 3.84 |
| Consumer Goods | 17.43 | 20.92 | 1.81 | 3.82 |
| Basic Materials | 18.68 | 28.96 | 1.24 | 1.57 |
| Technology | 19.20 | 27.41 | 2.84 | 3.61 |
| Industrial Goods | 19.23 | 25.88 | 1.76 | 4.01 |
| Services | 33.01 | 38.87 | 2.99 | 5.43 |

And, as usual, the Tech sector is among the stingiest in terms of dividend yields, with a yield of just 1.58%, vs. Services' dividend yield of 4.08%:

month. AAPL has stalled over the past month, while INTC has finally caught a bid, rising 7.46%:

| Ticker | Performance (YTD) | Performance (Month) | Performance (Quarter) | Performance (Year) | 52-Week High | 52-Week Low |
|--------|-------------------|---------------------|-----------------------|--------------------|--------------|-------------|
| AAPL | 38.04% | 0.00% | 6.53% | 35.92% | -3.07% | 53.61% |
| INTC | 9.62% | 7.46% | 15.15% | 6.17% | -0.48% | 19.65% |

Options:

Our [Covered Calls Table](#) has over 25 trades, which we update throughout the trading day.

We've updated these 2 November trades for AAPL and INTC. With both stocks going ex-dividend in early November, prior to the November option expiration date, these near-term option trades offer you a way to capture the upcoming dividend, while also earning some call option premium \$.

In AAPL's case, the call premium is \$2.38, ~3.8 times the \$.63 quarterly dividend. The \$165 strike price is also \$5.12 above AAPL's price/share, which gives you a buffer against losing the dividend if your shares get assigned before the ex-dividend date.

INTC has a \$.49 bid at the \$41.00 call strike, which also leaves you some headroom - \$1.24 over Intel's \$39.76 price/share. The call premium is \$.49, a bit less than double the upcoming \$.2725 dividend:

| COMPANY NAME | STOCK SYMBOL | CURRENT PRICE CHANGE | CURRENT PRICE PER SHARE | DIVIDEND PER SHARE \$ PAID PRIOR TO CALL EXPIRATION | ANNUAL'D DIVIDEND YIELD % | CALL OPTION EXPIRATION DATE - SYMBOL | CALL STRIKE PRICE | CALL BID PREMIUM | ANNUAL'D CALL YIELD | TOTAL ANN'D STATIC YIELD | POTENTIAL ASSIGNED YIELD | ANNUAL'D TOTAL POTENTIAL YIELD |
|-------------------|--------------|----------------------|-------------------------|---|---------------------------|--------------------------------------|-------------------|------------------|---------------------|--------------------------|--------------------------|--------------------------------|
| Apple Inc. | AAPL | \$2.89 | \$159.88 | \$0.63 | 4.49% | 11/18/2017 | \$165.00 | \$2.28 | 16.27% | 20.76% | 36.53% | 57.29% |
| Intel Corporation | INTC | \$0.09 | \$39.76 | \$0.2725 | 7.82% | 11/18/2017 | \$41.00 | \$0.49 | 14.06% | 21.87% | 35.57% | 57.45% |

Conversely, if you're looking to enter a into a position for AAPL or INTC, but you'd like to attain a lower breakeven, take a look at selling Cash Secured Puts.

Our [Cash Secured Puts Table](#) also has over 25 trades, which we update throughout the trading day.

We've updated these 2 November put-selling trades for AAPL and INTC. AAPL's Nov. \$155.00 put strike pays \$2.56, 4x the \$.63 dividend, with a breakeven of \$152.44.

The Intel \$39.00 put strike pays \$.78, just under 3x the upcoming \$.2725 dividend, with a breakeven of \$38.22:

| COMPANY NAME | STOCK SYMBOL | CURRENT PRICE CHANGE | CURRENT SHARE PRICE | DIVIDEND PER SHARE \$ EX-DATES BEFORE PUT EXPIRATION | ANNUAL'D DIVIDEND YIELD % | PUT OPTION EXPIRATION DATE-SYMBOL | PUT STRIKE PRICE | PUT BID PREMIUM | ANNUAL'D PUT YIELD | 100% CASH RESERVE AMOUNT | BREAK-EVEN PRICE | 52-WEEK LOW |
|-------------------|--------------|----------------------|---------------------|--|---------------------------|-----------------------------------|------------------|-----------------|--------------------|--------------------------|------------------|-------------|
| Apple Inc. | AAPL | \$2.89 | \$159.88 | \$0.63 | 4.49% | 11/18/2017 | \$155.00 | \$2.56 | 18.84% | \$15,500.00 | \$152.44 | \$104.08 |
| Intel Corporation | INTC | \$0.09 | \$39.76 | \$0.2725 | 7.82% | 11/18/2017 | \$39.00 | \$0.78 | 22.81% | \$3,900.00 | \$38.22 | \$33.23 |

Valuations: AAPL enjoys premium valuations over INTC, but its P/E's are still below the averages for the Tech sector, as are Intel's, which also has a lower Price/Book than the sector average.

| Ticker | Forward P/E | P/E | P/Sales | P/Book |
|------------|-------------|-------|---------|--------|
| AAPL | 14.49 | 18.19 | 3.72 | 6.27 |
| INTC | 12.85 | 15.24 | 3.03 | 2.73 |
| Technology | 19.20 | 27.41 | 2.84 | 3.61 |

Earnings Growth: Here's why AAPL has higher valuations than INTC - its past EPS and sales growth are way higher, as is the forecast for future EPS growth.

| Ticker | EPS growth past 5 years | EPS growth next 5 years | Sales growth past 5 years |
|--------|-------------------------|-------------------------|---------------------------|
| AAPL | 16.00% | 12.37% | 14.80% |
| INTC | -2.40% | 8.72% | 1.90% |

All tables furnished by www.DoubleDividendStocks.com, unless otherwise noted.

Disclosure: Author owned no shares of AAPL or INTC yet at the time of publication.

Disclaimer: This article was written for informational purposes only and is not intended as personal investment advice. Please practice due diligence before investing in any investment vehicle mentioned in this article.

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<https://www.doubledividendstocks.com/blog/wp-content/uploads/2017/10/AAPL-INTC-PERF.png>

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<https://www.doubledividendstocks.com/blog/wp-content/uploads/2017/10/AAPL-INTC-GROWTH.png>

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<https://www.doubledividendstocks.com/blog/wp-content/uploads/2017/10/AAPL-INTC-PP.png>

And, as usual, the Tech sector is among the stingiest in terms of dividend yields, with a yield of just 1.58%, vs. Services' dividend yield of 4.08%:

Apple, (AAPL), and Intel, (INTC), are 2 Tech dividend stocks, with relatively low dividend yields, of 1.58% and 2.74%, respectively, which happen to be going ex-dividend in early November:

However, if you're looking to increase these yields, you may want to consider selling Covered Calls. With the market hitting new all-time highs on a weekly basis, maybe it's also a time to hedge your bet.

Both AAPL and INTC are near 52-week highs, but that's where the performance similarities end - AAPL has had a big year so far, gaining 38% in 2017, while INTC is up just 9.6%, with most of that coming in the past month. AAPL has stalled over the past month, while INTC has finally caught a bid, rising 7.46%:

Options:

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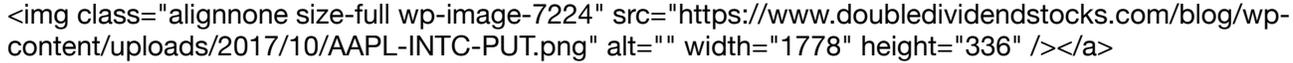
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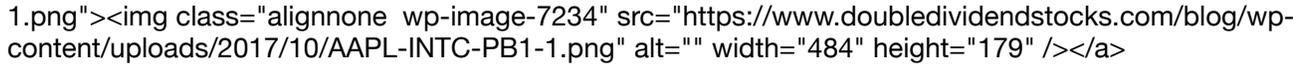
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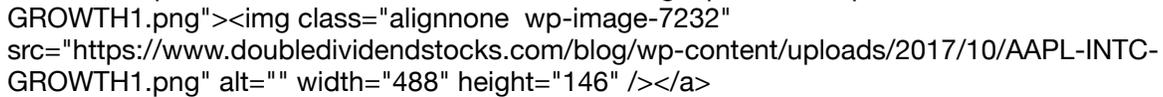
The Intel \$59.00 put strike pays \$.70, just under 5x the upcoming \$.2725 dividend, with a breakeven of \$38.22:

<https://www.doubledividendstocks.com/blog/wp-content/uploads/2017/10/AAPL-INTC-PUT.png>


Valuations: AAPL enjoys premium valuations over INTC, but its P/E's are still below the averages for the Tech sector, as are Intel's, which also has a lower Price/Book than the sector average.

<https://www.doubledividendstocks.com/blog/wp-content/uploads/2017/10/AAPL-INTC-PB1-1.png>


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